



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 30, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#60 of SEPTEMBER 30, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

### **PUBLIC SAFETY REALIGNMENT ACT OF 2011, ASSEMBLY BILL 109: FISCAL YEAR 2014-15 DEPARTMENT BUDGET ALLOCATIONS ALL DISTRICTS (3 VOTES)**

#### **SUBJECT**

Request Board approval of the Public Safety Realignment Act of 2011, Assembly Bill 109, funding allocation among the departments responsible for the custody, supervision, and treatment services provided to non-serious, non-violent, non-sexual offenders.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the reimbursement of Fiscal Year 2013-14 claims totaling \$5,179,000 submitted by the Sheriff's Department (\$1,820,000); Department of Mental Health (\$3,285,000); and the Information Systems Advisory Body (\$74,000) for direct Public Safety Realignment expenses that exceeded their respective budget allocation.
2. Approve the Fiscal Year 2014-15 budget allocations for Public Safety Realignment departments totaling \$337,783,000 and reflected in the Supplemental Budget changes. Public Safety Realignment funds will remain in the trust accounts with disbursement to the departments subject to the existing claims process established by the Chief Executive Office and Auditor-Controller.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

### **Fiscal Year 2013-14 Claims Reimbursements**

The Public Safety Realignment (AB109) budget during Fiscal Year (FY) 2013-14 was \$338,130,000 with each department given a fixed percentage allocation. The departments submitted claims of \$326,477,000 for direct AB109 expenses (Attachment I). However, several departments submitted claims that exceeded their AB109 budget allocation as follows:

- Sheriff's Department (Sheriff): \$1,820,000 for custody operations.
- Department of Mental Health (DMH): \$3,285,000 for in-custody and community-based mental health services.
- Information Systems Advisory Body (ISAB): \$74,000 for higher than anticipated systems platform maintenance costs and the development of the Justice Automatic Information Management Statistics (JAIMS) system.

Pursuant to the AB109 Reserve Policy, Board authorization is required to reimburse claims that exceed a department's budget allocation. There are sufficient funds remaining in the FY 2013-14 budget to facilitate full reimbursement of the Sheriff, DMH, and ISAB claims. The FY 2013-14 balance of \$11,653,000 will remain in the trust accounts as reserve.

### **Fiscal Year 2014-15 Budget**

The State projected the total number of non-serious, non-violent, non-sexual offenders (N3) released from State prisons and incarcerated in local jails would peak during FY 2013-14 and counties were provided with a one-year spike in funding, equivalent to \$21,000,000 for the County. The County departments were advised to budget their respective operations with the expectation that revenue would significantly decline the following year.

The FY 2014-15 AB109 revenue of \$317,576,000 reflects the expected loss of spike funding, fluctuations in the AB109 revenue source (sales tax and vehicle license fee), and the transition to a long-term State-wide funding formula which affects our Base Budget and Prior-Year Growth funding allocations (Attachment II). Despite County departments' effort to mitigate the revenue loss, the Sheriff and Probation Department (Probation) will require additional funding to safely maintain custody and supervision operations. The following two strategies will be employed using current FY revenue and reserve to offset the revenue loss while initiating pilot programs that potentially reduce recidivism:

1. Full Operationalization of Revenue: The proposed AB109 budget reflects a funding reallocation between departments based on their claims experience and anticipated program costs. Specifically, \$3 million from the Fire Department (Fire) will be reallocated to the Sheriff. The basis of reducing the Fire allocation is attributable to the lower than projected number of N3s occupying fire camp beds. Should the N3 fire camp population increase and require additional funding during this FY, we will return to the Board with a recommendation for reserve funding and restore their fixed percentage allocation prospectively.
2. Reserve Funding: At the end of each FY the County has set aside the remaining balance of AB109 revenue as a reserve for contingencies and pilot programs. To date, County departments have not required reserve funding. During FY 2014-15, the Chief Executive Office (CEO) recommends the use of reserve funding to support the following:

- a. An allocation of \$8.9 million to minimize the impact of the revenue reduction on core Sheriff's custody and Probation's community supervision operations.
- b. Allocate \$11.4 million in reserve funding to implement the following pilot programs and enhancements:
  - Department of Public Health: \$3.5 million to fund a one-year pilot program for in-custody and community-based drug education and treatment. Note that this pilot is a component of the Sheriff's Jail Population Management Plan and will be presented in detail in a separate Board letter for operational implementation and long-term fiscal sustainability.
  - DMH: \$3.3 million to fund a one-year pilot community-based residential alternative custody and transition program for mentally ill inmates. Note that this pilot is a component of the Sheriff's Jail Population Management Plan and will be presented in detail in a separate Board letter for operational implementation and long-term fiscal sustainability.
  - Department of Health Services: \$758,000 to provide medically fragile N3s with initial skilled nursing, board, and care support services upon their release from State prison.
  - CEO and Countywide Criminal Justice Coordination Committee (CCJCC): \$3.1 million for consultants to independently evaluate AB109 programs. CCJCC and the Public Safety Realignment Team will establish a grant process to screen departments' program evaluation proposals and, if awarded, the subsequent selection of an evaluation consultant. Note that CCJCC has \$439,632 in Community Corrections Partnership grants that will be utilized first.
  - Auditor-Controller (A-C): \$280,000 for bi-annual AB109 fiscal audits.
  - ISAB: \$400,000 for the development of the JAIMS system.

Pursuant to the AB109 Reserve Policy, Board authorization is required to use reserve funds.

### **Implementation of Strategic Plan Goals**

Approval of the recommendations will support County Strategic Plan Goal 3: Integrated Services Delivery, Strategic Initiative 4: Refinement of AB109 Implementation, by providing departments with the funding allocations necessary for the custody, supervision, and treatment services of N3s.

### **FISCAL IMPACT/FINANCING**

The full reimbursement to the Sheriff, DMH, and ISAB for direct AB109 related expenses incurred during FY 2013-14 will negate the need to tap into alternative funding, such as net County cost (NCC), to make the departments whole. The \$5,179,000 required for full reimbursement will come from FY 2013-14 AB109 unclaimed revenue allocated to other departments. The remaining balance of \$11,653,000 in unclaimed revenue will remain in the trust accounts as reserve.

FY 2014-15 Supplemental Budget changes will reflect an AB109 budget of \$337,783,000 comprised of \$317,576,000 from State revenue and \$20,207,000 from the AB109 reserve. The existing AB109 quarterly claims process will remain in place, and the A-C will conduct fiscal audits to validate department claims. The reserve will continue to maintain its minimum funding requirement of three percent of the current budget.

AB109 expenses are to be fully borne through AB109 revenue. There is no increase in NCC.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 1, 2011, AB109 became effective and transferred the custody, supervision, and treatment services of N3s from the State to the counties.

On November 6, 2012, voters approved the Three Strikes Reform Act (Prop 36) which authorized the case-by-case resentencing of individuals serving a third strike life sentence if the conviction was for a non-serious or non-violent offense. Since Prop 36 resentenced offenders are considered N3, the counties are responsible for their community supervision.

On January 1, 2015, AB1468 will become effective with the mandate that unless the Court finds it not in the interest of justice, individuals sentenced as a N3 will serve their sentence in a county jail with the concluding portion of the sentence served on community supervision.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

AB109 has restructured the criminal justice system. The County jail system currently has a daily average of 19,200 inmates, including 5,800 N3s or 30 percent of the population. Probation is currently supervising 8,213 N3s who have been released from State prisons, including individuals with a history as sex offenders and prison gang members, but whose last conviction classified them as a N3. Since October 2011, Probation has supervised a cumulative total of 23,783 N3s. In addition, Probation is supervising 138 individuals resentenced under Prop 36. The impact of AB1468 is still to be determined, but Sheriff and Probation anticipate it will have a potentially significant impact on the jail system and the community-supervision caseload respectively.

Despite the challenges posed by the N3 population, County departments have made significant advances in inter-department cooperation and the coordination of rehabilitative, mental health, and substance abuse treatment services within the jails and transitional support services within the community. The recommended funding allocation will provide the resources necessary for departments to continue to effectively provide custody, supervision, and treatment services.

The Honorable Board of Supervisors

9/30/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:GAM:SW

DT:llm

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Sheriff  
Auditor-Controller  
Fire  
Health Services  
Mental Health  
Probation  
Public Health

**AB109 FISCAL YEAR 2013-14  
BUDGET AND FINAL CLAIMS**

**ATTACHMENT I**

	<b>Budget</b>	<b>Staff</b>	<b>Actual Claims</b>	<b>Staff</b>	<b>Variance</b> (Budget less Actual Claims)	
<b><u>GENERAL AB109 OPERATIONS</u></b>						
Probation	\$ 80,777,000	506	\$ 76,767,000	363	\$ 4,010,000	
Sheriff	\$ 185,502,000	577	\$ 187,322,000	577	\$ (1,820,000)	Full reimbursement pending
Fire	\$ 8,727,000	0	\$ 1,113,000	0	\$ 7,614,000	
Public Health	\$ 12,399,000	12	\$ 10,374,000	9	\$ 2,025,000	
Mental Health	\$ 28,005,000	80	\$ 31,290,000	80	\$ (3,285,000)	Full reimbursement pending
Health Services	\$ 15,255,000	50	\$ 13,671,000	33	\$ 1,584,000	
Auditor-Controller	\$ 253,000	1	\$ 145,000	0	\$ 108,000	
CCJCC	\$ 190,000	1	\$ 121,000	1	\$ 69,000	
ISAB	\$ 635,000	0	\$ 709,000	0	\$ (74,000)	Full reimbursement pending
Total General Operations	\$ 331,743,000	1,227	\$ 321,512,000	1,063	\$ 10,231,000	<b>Available for RESERVE</b>
<b><u>AB109 REVOCATIONS</u></b>						
District Attorney	\$ 3,030,000	18	\$ 2,733,000	15	\$ 297,000	
Public Defender	\$ 2,290,000	13	\$ 1,714,000	8	\$ 576,000	
Alternate Public Defender	\$ 1,013,000	6	\$ 518,000	4	\$ 495,000	
Conflict Panel	\$ 54,000	0	\$ -	0	\$ 54,000	
Total Revocations	\$ 6,387,000	37	\$ 4,965,000	27	\$ 1,422,000	<b>Available for RESERVE</b>
<b>TOTAL AB109</b>	<b>\$ 338,130,000</b>	<b>1,264</b>	<b>\$ 326,477,000</b>	<b>1,090</b>	<b>\$ 11,653,000</b>	<b>Available for RESERVE</b>

PUBLIC SAFETY REALIGNMENT (AB109)  
COUNTY OF LOS ANGELES  
2014-15 PROPOSED BUDGET

GENERAL  
OPERATIONS

2013-14 BUDGET						
Base Budget			Prior Year Growth		TOTAL BUDGET	
\$317,351,000			\$ 14,392,000		\$331,743,000	
Ongoing	One-Time Add'l Services		One-Time Add'l Services		TOTAL	
Probation	\$ 74,191,000	\$ 5,147,000	25.00%	\$ 1,439,000	10.00%	\$ 80,777,000
LASD	\$ 172,123,000	\$ 11,940,000	58.00%	\$ 1,439,000	10.00%	\$ 185,502,000
Fire*	\$ 8,161,000	\$ 566,000	2.75%	\$ -	0.00%	\$ 8,727,000
DPH	\$ 8,903,000	\$ 618,000	3.00%	\$ 2,878,000	20.00%	\$ 12,399,000
DMH	\$ 20,803,000	\$ 1,444,000	7.01%	\$ 5,758,000	40.01%	\$ 28,005,000
DHS	\$ 11,574,000	\$ 803,000	3.90%	\$ 2,878,000	20.00%	\$ 15,255,000
CEO	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -
A-C	\$ 237,000	\$ 16,000	0.08%	\$ -	0.00%	\$ 253,000
BOS (CCJCC + PSRT)	\$ 178,000	\$ 12,000	0.06%	\$ -	0.00%	\$ 190,000
BOS (ISAB)	\$ 594,000	\$ 41,000	0.20%	\$ -	0.00%	\$ 635,000
TOTAL	\$ 296,764,000	\$ 20,587,000	100.00%	\$ 14,392,000	100.00%	\$ 331,743,000

REVOCATIONS  
BUDGET

2013-14 BUDGET						
Base Budget			Prior Year Growth**		TOTAL BUDGET	
\$5,433,000			\$ 954,000		\$6,387,000	
Ongoing	One-Time Add'l Services		One-Time Add'l Services		TOTAL	
DA	\$ 2,359,000	\$ 194,000	47%	\$ 477,000	50%	\$ 3,030,000
PD	\$ 1,807,000	\$ 149,000	36%	\$ 334,000	35%	\$ 2,290,000
APD	\$ 804,000	\$ 66,000	16%	\$ 143,000	15%	\$ 1,013,000
Conflict Panel	\$ 50,000	\$ 4,000	1%	\$ -	0%	\$ 54,000
TOTAL	\$ 5,020,000	\$ 413,000		\$ 954,000		\$ 6,387,000

TOTAL AB109  
BUDGET

\$301,784,000	\$21,000,000	\$15,346,000	\$338,130,000
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PROPOSED BUDGET							
Base Budget		Prior Year Growth		Reserve Funding		TOTAL BUDGET	VARIANCE
\$290,539,000		\$20,938,000		\$ 8,855,000	\$ 11,352,000	\$331,684,000	\$ (59,000)
Ongoing	SET %	One-Time Add'l Services	SET %	Partial Shortfall Offset	One-Time and Pilot Programs	TOTAL	Variance
\$ 72,635,000	25.00%	\$ 2,094,000	10.00%	\$ 1,076,000	\$ -	\$ 75,805,000	\$ (4,972,000)
\$ 171,199,000	58.92%	\$ 2,094,000	10.00%	\$ 7,779,000	\$ -	\$ 181,072,000	\$ (4,430,000)
\$ 5,045,000	1.74%	\$ -	0.00%		\$ -	\$ 5,045,000	\$ (3,682,000)
\$ 8,716,000	3.00%	\$ 4,188,000	20.00%		\$ 3,524,000	\$ 16,428,000	\$ 4,029,000
\$ 20,367,000	7.01%	\$ 8,374,000	40.00%		\$ 3,290,000	\$ 32,031,000	\$ 4,026,000
\$ 11,331,000	3.90%	\$ 4,188,000	20.00%		\$ 758,000	\$ 16,277,000	\$ 1,022,000
\$ 237,000	0.08%	\$ -	0.00%		\$ 100,000	\$ 337,000	\$ 337,000
\$ 237,000	0.08%	\$ -	0.00%		\$ 280,000	\$ 517,000	\$ 264,000
\$ 178,000	0.06%	\$ -	0.00%		\$ 3,000,000	\$ 3,178,000	\$ 2,988,000
\$ 594,000	0.20%	\$ -	0.00%		\$ 400,000	\$ 994,000	\$ 359,000
\$ 290,539,000	100.00%	\$ 20,938,000	100%	\$ 8,855,000	\$ 11,352,000	\$ 331,684,000	\$ (59,000)

PROPOSED BUDGET							
Base Budget		Prior Year Growth**		Reserve Funding		TOTAL BUDGET	VARIANCE
\$4,914,000		\$1,185,000		\$ -	\$ -	\$6,099,000	\$ (288,000)
Ongoing	SET %	One-Time Add'l Services	SET %	Partial Shortfall Offset	One-Time and Pilot Programs	TOTAL	Variance
\$ 2,310,000	47%	\$ 589,000	49.75%			\$ 2,899,000	\$ (131,000)
\$ 1,769,000	36%	\$ 416,000	35.10%			\$ 2,185,000	\$ (105,000)
\$ 786,000	16%	\$ 179,000	15.10%			\$ 965,000	\$ (48,000)
\$ 49,000	1%	\$ 1,000	0.05%			\$ 50,000	\$ (4,000)
\$ 4,914,000	100%	\$ 1,185,000	100.00%	\$ -	\$ -	\$ 6,099,000	\$ (288,000)

\$295,453,000	\$22,123,000	\$ 8,855,000	\$ 11,352,000	\$337,783,000	\$ (347,000)
Total AB109 Revenue:		\$317,576,000	Total Reserve Operationalized:		\$ 20,207,000

\* Should the Fire Department require a funding allocation increase in future years, the other department's base budget allocations may be reduced to their base funding level: Sheriff 58%, DPH 3%, DMH 7.01%, and DHS 3.9% of Total Base Budget.  
Fire Department's FY2014-15 budget currently reflects the \$8.7 million from the prior fiscal year. The proposed budget of \$5.0 million will be reflected in the mid-year budget adjustment.  
\*\* An additional \$188,000 has been set aside in Reserve.